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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

MAR 24 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Application of Open Network)
Architecture and Nondiscrimination)
Safeguards to GTE Corporation)

CC Docket No. 92-256

REPLY COMMENTS OF THE
NORTH AMERICAN TELECOMMUNICATIONS ASSOCIATION

The North American Telecommunications Association ("NATA") submits the following reply to comments filed in response to the Commission's Notice of Proposed Rulemaking in these proceedings, FCC 92-495, released December 2, 1992.

Two months before the deadline for filing comments, NATA requested an expansion of the scope of the rulemaking to consider NATA's proposal that nondiscrimination safeguards apply to GTE's provision of customer premises equipment ("CPE") as well as to GTE's provision of enhanced services. North American Telecommunications Association, Petition to Expand the Scope of Rulemaking, filed December 22, 1992. See also letter dated December 22, 1992, from Albert H. Kramer, attorney for NATA, to FCC Chairman Alfred C. Sikes ("NATA Letter"), attached to NATA's Petition.

NATA explained that, throughout the course of its Computer II, Computer III, and related proceedings, the Commission has applied consistent regulatory treatment to carriers' provision of CPE and enhanced services. The Commission's policy regarding carrier provision of enhanced services and CPE is stated in a single FCC rule. 47 CFR § 64.702. From the inception of this Computer II

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rule, the Commission has consistently applied the same level of safeguards -- structural, nonstructural, or none -- to a particular carrier's provision of CPE as to that carrier's provision of enhanced services. Further, exactly the same criteria as were previously used by the Commission in deciding whether to apply nonstructural safeguards to GTE's enhanced services also were used -- with the same result -- in deciding whether to apply analogous nonstructural safeguards to GTE's CPE operations. NATA pointed out that the same reasons cited by the Commission for its tentative conclusion that, in the current circumstances, nondiscrimination safeguards should now apply to GTE's enhanced services, apply equally to CPE and warrant a similar conclusion with respect to GTE's CPE operations.

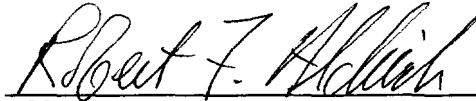
Of the commenting parties, only GTE disagrees with NATA's proposal to apply nondiscrimination safeguards to GTE's CPE operations. Significantly, while disputing the merits of NATA's proposal, as well as the Commission's proposal to apply safeguards to enhanced services, GTE does not dispute that the decisional calculus is essentially the same for both proposals. Indeed, GTE expressly acknowledges that the Commission has consistently followed "a similar analytic process" with respect to the application of safeguards to GTE's enhanced services and to its CPE operations. Comments of GTE at 19; see also id. at 32 ("The Commission's line of reasoning [in the CPE proceedings] was essentially similar to that applied in the case of Enhanced Services"). Therefore, there can be little question that NATA's

proposal to apply the same level of safeguards to GTE's CPE as to its enhanced services is properly considered in these proceedings, and that the Commission should apply the same analytical process to reach consistent conclusions regarding GTE's CPE and enhanced services operations.

GTE's attempt to paint the question of CPE safeguards as a closed issue which should not be reopened is not supported by the text of the Commission's prior decisions on the CPE issue. Far from being "emphatic in rejecting" prior proposals to apply nondiscrimination safeguards to GTE, the Commission expressly acknowledged that the question was "a close case." Furnishing of Customer Premises Equipment by the Bell Operating Telephone Companies, 2 FCC Rcd 143, 158, modified on recon., 3 FCC Rcd 22 (1987), aff'd sub nom., Illinois Bell Telephone Co. v. FCC, 883 F.2d 104 (1989). Today, the increased size of GTE's operations, which makes it larger than most of the Bell Companies who are all subject to nondiscrimination safeguards, tips the balance and

warrants a decision to apply such safeguards to GTE's CPE as well as to its enhanced services.

Respectfully submitted,

A handwritten signature in cursive script, reading "Robert F. Aldrich", written over a horizontal line.

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